

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT**  
**LB590**

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**Hearing Date:** Monday February 11, 2013  
**Committee On:** General Affairs  
**Introducer:** Lautenbaugh  
**One Liner:** License and regulate wagering on historic horseracing

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

|                            |   |   |
|----------------------------|---|---|
| <b>Aye:</b>                | 6 | Senators Johnson, Karpisek, Krist, Lautenbaugh, Murante, Schilz |
| <b>Nay:</b>                | 2 | Senators Bloomfield, Coash                                      |
| <b>Absent:</b>             |   |   |
| <b>Present Not Voting:</b> |   |   |

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**Proponents:**

Sen. Scott Lautenbaugh  
Loran Schmit  
Jessica Kolterman  
Gregory Hosch  
Lynne Schuller

**Representing:**

Introducer  
self  
Nebraska Farm Bureau Federation  
Horsemen's Park  
Nebraska Horsemen's Benevolent and Protective Association

**Opponents:**

Glen Andersen  
Pat Loontjer  
Loretta Fairchild

**Representing:**

self  
Gambling with the Good Life  
self

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 590 could be considered the enabling legislation for LR 41CA.

Section 2-1203.01 outlines the State Racing Commission's duties. LB 590 includes (7), which authorizes the Commission to regulate parimutuel wagering on historic horseraces within a licensed racetrack enclosure.

Page 3, Lines 4-11 - If a final order from a court states that wagering on historic horseraces would therefore permit other forms of Class III gaming under the Indian Gaming Regulatory Act (IGRA), then the Commission's authority to regulate parimutuel wagering on historic horseraces would terminate one year after the final order.

Page 3, Line 11- Page 4, Line 4 - The Commission's authority to license and regulate historic horseracing machines and the licenses themselves terminate after four years of continuous use unless (a) a racetrack enclosure is constructed in Lancaster County and (b)(i) for all counties except Douglas, there is a 30 percent increase in live horseracing days compared to 2011 or for Douglas County facilities, a 40 percent increase in live horseracing days compared to 2011. Or, (b)(ii) requires a 25 percent increase in the purses compared to 2011 for that particular facility.

Section 2(1), for purposes of licensure and regulation, defines historic horseracing as parimutuel wagering on past horseraces.

Section 2(2) authorizes the Commission to adopt rules and regulations for implementing historic horseracing.

Section 2(3) requires that enough of the historic horserace must be shown to maintain the integrity of such horserace.

Section 2(4) requires a one-time licensing fee of \$1,000 per machine and that fee will be placed in the Historic Horseracing Distribution Fund.

Section 3(1) states that the only tax applicable to parimutuel wagering on historic horseraces is (a) 1 percent of the first \$100 million in gross sum wagered, 1 1/2 percent of the second \$100 million in gross sum wagered, and 2 percent of the remaining amount wagered and (b)(i) facilities outside of a city's corporate limits shall remit 1/10 of 1 percent of gross sum wagered to the County's general fund and (b)(ii) facilities inside a city's corporate limits shall remit 5/100 of 1 percent of the gross sum wagered to the County's general fund and 5/100 of 1 percent of the gross sum wagered to the City's general fund.

Section 3(2) requires a tax filing the 10th day of the following month during which wagering took place on historic horseracing at a particular facility and shall be filed with the tax to the Tax Commissioner. The Tax Commissioner shall remit the tax from Section 3(1)(a) to the Historic Horseracing Distribution Fund.

Section 4(1) creates the Historic Horseracing Distribution Fund within the Department of Revenue. The administration costs associated with this Fund shall be paid from this Fund.

Section 4(2)(a) directs the State Racing Commission to utilize half of the receipts in the Fund for equine therapy for youth and veterans and promote equine and equestrian activities in Nebraska.

Section 4(2)(b) allocates half of the receipts in the Fund to the Compulsive Gamblers Assistance Fund.

Section 4(3) directs the State Investment Officer to invest any remaining money available for investment.

Section 5(1) includes equine therapy for youth and veterans and the promotion of equine and equestrian activities in Nebraska as permissible uses of the State Racing Commission's Cash Fund.

Section 5(3) includes in the State Racing Commission's Cash Fund the amount transferred for equine therapy for youth and veterans and the promotion of equine and equestrian activities in Nebraska.

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Russ Karpisek, Chairperson